

Message Text

CONFIDENTIAL

PAGE 01 LISBON 01411 181824Z
ACTION EUR-12

INFO OCT-01 ISO-00 EURE-00 INRE-00 SSO-00 NSCE-00 SP-02
AID-05 EB-08 NSC-05 CIEP-01 TRSE-00 SS-15 STR-04
OMB-01 CEA-01 COME-00 L-03 CIAE-00 INR-07 NSAE-00
/065 W

-----181830 098448 /42

O R 181730Z FEB 77
FM AMEMBASSY LISBON
TO SECSTATE WASHDC IMMEDIATE 0257
INFO AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY BONN
AMEMBASSY LONDON
AMEMBASSY ROME

C O N F I D E N T I A L LISBON 1411

E.O. 11652: GDS
TAGS: ECON, EAID, PO
SUBJECT: FINANCIAL ASSISTANCE TO PORTUGAL; CONSORTIUM
LOAN

REF: (A) BARBOUR-ROWELL-OKUN TELECON FEB 17, (B) LONDON 02808

1. BASED ON REFERENCES (A) AND (B), I SPOKE FIRST THING THIS MORNING TO GOP FINANCE MINISTER MEDINA CARREIRA. TOLD HIM FEEDBACK FROM BRITISH ON SOARES VISIT WAS THAT SOARES HAD TAKEN ESSENTIALLY PASSIVE VIEW OF CONSORTIUM LOAN. MEDINA CARREIRA WAS STARTLED, SAID THAT AS WE KNEW THE ENTIRE FUTURE OF THE COUNTRY RESTED ON THE CONSORTIUM LOAN AND PRIME MINISTER WAS MORE THAN COMMITTED TO GIVING IT HIS WHOLEHEARTED SUPPORT.

2. AT MY SUGGESTION, MEDINA CARREIRA CALLED SOARES IN ROME. HE REPORTED BACK TO ME THAT SOARES WAS "EXTREMELY SURPRISED" BY THE INFORMATION WE HAD RECEIVED. SAID HE HAD EMPHASIZED
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PAGE 02 LISBON 01411 181824Z

IMPORTANCE OF LOAN IN ALL HIS STOPS AND IN MOST OF HIS PUBLIC STATEMENTS. HE WOULD SEEK EVERY OPPORTUNITY, BOTH PUBLIC AND PRIVATE, TO UNDERSCORE IMPORTANCE OF LOAN DURING REMAINDER OF TRIP. HE WOULD ALSO MAKE STRONG PITCH TO FRG.

3. SINCE DICTATING ABOVE I RECEIVED CALL FROM PRIME MINISTER'S PRINCIPAL ASSISTANT VICTOR CUNHA REGO WITH WHOM

I HAD TALKED EARLIER ON SAME MATTER. CUNHA REGO REINFORCED FINANCE MINISTER'S ASSURANCE THAT SOARES WOULD SEEK EVERY OPPORTUNITY TO EMPHASIZE LOAN. HE ALSO SAID HE WOULD GET SOARES TO CONTACT BRANDT AND SCHMIDT IMMEDIATELY. CUNHA REGO STRESSED GOP'S TOTAL COMMITMENT TO LOAN AND ITS DESIRE TO COORDINATE FULLY WITH US.

4. COMMENT: IN ASSESSING INFORMATION REACHING US THROUGH BRITISH IT IS IMPORTANT TO BEAR IN MIND THAT FOR THREE MONTHS WE HAVE BEEN TELLING SOARES NOT TO TAKE ANY ACTION ON CONSORTIUM LOAN TO AVOID UPSETTING DELICATE NEGOTIATIONS UNDERTAKEN BY FORMER TREASURY UNDERSECRETARY. WE SWITCHED GEARS THREE DAYS BEFORE HIS JAMPACKED TRIP TO EEC COUNTRIES, TWO DAYS OF WHICH WERE CONSUMED BY AN IMPORTANT MEETING OF THE SOCIALIST PARTY ON THE CONTENTIOUS SUBJECT OF LABOR POLICY. SINCE I DID NOT HAVE AN OPPORTUNITY FOR DIRECT PERSONAL CONTACT WITH HIM IT IS POSSIBLE THAT SOARES APPROACHED THE SUBJECT CIRCUMSPECTLY TO AVOID COMPLICATING OUR EFFORTS. HE IS UNAWARE FOR EXAMPLE OF WHAT WE MIGHT HAVE TOLD THE BRITISH, IF ANYTHING. IN LIGHT OF THIS, I DO NOT FIND IT AT ALL STRANGE THAT HE COMMENTED TO THE BRITISH (REFTEL B) THAT HE WAS RAISING MATTER AT OUR REQUEST. THIS WOULD NOT REFLECT LACK OF INTEREST BUT SIMPLY AN EFFORT ON HIS PART TO INDICATE GOP WAS FOLLOWING OUR LEAD. BASED ON REF (A) I WILL TALK TO HIM ON HIS RETURN AND AM SURE WE WILL HAVE NO TROUBLE IN GETTING HIM TO MOVE OUT IN FRONT. WHILE EMBASSY LONDON IS IN A BETTER POSITION TO JUDGE I WONDER ALSO IF BRITISH REACTION MIGHT BE, AT LEAST IN PART, AN EFFORT TO KEEP FROM BECOMING INVOLVED PREMATURELY
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PAGE 03 LISBON 01411 181824Z

IN CONSORTIUM.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC ASSISTANCE, CONSORTIUMS, LOANS
Control Number: n/a
Copy: SINGLE
Sent Date: 18-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977LISBON01411
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770059-0019
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From: LISBON
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1977/newtext/t19770228/aaaaayil.tel
Line Count: 99
Litigation Code IDs:
Litigation Codes:
Litigation History:
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Office: ACTION EUR
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